

# SENATE BILL No. 439

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-7-14-39.

**Synopsis:** Tax increment financing. Provides that if a proposed redevelopment project area is not taxable at the time the allocation area is being established, any property taxes that would have been paid on undeveloped land shall be included in the base assessed value for purposes of determining property tax levy distributions to the appropriate local units.

**Effective:** July 1, 2025.

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January 13, 2025, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session of the 124th General Assembly (2025)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2024 Regular Session of the General Assembly.

## SENATE BILL No. 439

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 36-7-14-39, AS AMENDED BY P.L.136-2024,  
2 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2025]: Sec. 39. (a) As used in this section:  
4 "Allocation area" means that part of a redevelopment project area  
5 to which an allocation provision of a declaratory resolution adopted  
6 under section 15 of this chapter refers for purposes of distribution and  
7 allocation of property taxes.  
8 "Base assessed value" means, subject to subsection (j), the  
9 following:  
10 (1) If an allocation provision is adopted after June 30, 1995, in a  
11 declaratory resolution or an amendment to a declaratory  
12 resolution establishing an economic development area:  
13 (A) the net assessed value of all the property as finally  
14 determined for the assessment date immediately preceding the  
15 effective date of the allocation provision of the declaratory  
16 resolution, as adjusted under subsection (h); plus  
17 (B) to the extent that it is not included in clause (A), the net



- 1           assessed value of property that is assessed as residential  
 2           property under the rules of the department of local government  
 3           finance, within the allocation area, as finally determined for  
 4           the current assessment date.
- 5           (2) If an allocation provision is adopted after June 30, 1997, in a  
 6           declaratory resolution or an amendment to a declaratory  
 7           resolution establishing a redevelopment project area:  
 8           (A) the net assessed value of all the property as finally  
 9           determined for the assessment date immediately preceding the  
 10          effective date of the allocation provision of the declaratory  
 11          resolution, as adjusted under subsection (h); plus  
 12          (B) to the extent that it is not included in clause (A), the net  
 13          assessed value of property that is assessed as residential  
 14          property under the rules of the department of local government  
 15          finance, as finally determined for the current assessment date.
- 16          (3) If:  
 17          (A) an allocation provision adopted before June 30, 1995, in  
 18          a declaratory resolution or an amendment to a declaratory  
 19          resolution establishing a redevelopment project area expires  
 20          after June 30, 1997; and  
 21          (B) after June 30, 1997, a new allocation provision is included  
 22          in an amendment to the declaratory resolution;  
 23          the net assessed value of all the property as finally determined for  
 24          the assessment date immediately preceding the effective date of  
 25          the allocation provision adopted after June 30, 1997, as adjusted  
 26          under subsection (h).
- 27          (4) Except as provided in subdivision (5), for all other allocation  
 28          areas, the net assessed value of all the property as finally  
 29          determined for the assessment date immediately preceding the  
 30          effective date of the allocation provision of the declaratory  
 31          resolution, as adjusted under subsection (h).
- 32          (5) If an allocation area established in an economic development  
 33          area before July 1, 1995, is expanded after June 30, 1995, the  
 34          definition in subdivision (1) applies to the expanded part of the  
 35          area added after June 30, 1995.
- 36          (6) If an allocation area established in a redevelopment project  
 37          area before July 1, 1997, is expanded after June 30, 1997, the  
 38          definition in subdivision (2) applies to the expanded part of the  
 39          area added after June 30, 1997.
- 40          Except as provided in section 39.3 of this chapter, "property taxes"  
 41          means taxes imposed under IC 6-1.1 on real property. However, upon  
 42          approval by a resolution of the redevelopment commission adopted



1 before June 1, 1987, "property taxes" also includes taxes imposed  
2 under IC 6-1.1 on depreciable personal property. If a redevelopment  
3 commission adopted before June 1, 1987, a resolution to include within  
4 the definition of property taxes, taxes imposed under IC 6-1.1 on  
5 depreciable personal property that has a useful life in excess of eight  
6 (8) years, the commission may by resolution determine the percentage  
7 of taxes imposed under IC 6-1.1 on all depreciable personal property  
8 that will be included within the definition of property taxes. However,  
9 the percentage included must not exceed twenty-five percent (25%) of  
10 the taxes imposed under IC 6-1.1 on all depreciable personal property.

11 **If a proposed redevelopment project area is not taxable at the time**  
12 **the allocation area is being established, any property taxes that**  
13 **would have been paid on undeveloped land shall be included in the**  
14 **base assessed value for purposes of determining property tax levy**  
15 **distributions to the appropriate local units.**

16 (b) A declaratory resolution adopted under section 15 of this chapter  
17 on or before the allocation deadline determined under subsection (i)  
18 may include a provision with respect to the allocation and distribution  
19 of property taxes for the purposes and in the manner provided in this  
20 section. A declaratory resolution previously adopted may include an  
21 allocation provision by the amendment of that declaratory resolution on  
22 or before the allocation deadline determined under subsection (i) in  
23 accordance with the procedures required for its original adoption. A  
24 declaratory resolution or amendment that establishes an allocation  
25 provision must include a specific finding of fact, supported by  
26 evidence, that the adoption of the allocation provision will result in  
27 new property taxes in the area that would not have been generated but  
28 for the adoption of the allocation provision. For an allocation area  
29 established before July 1, 1995, the expiration date of any allocation  
30 provisions for the allocation area is June 30, 2025, or the last date of  
31 any obligations that are outstanding on July 1, 2015, whichever is later.  
32 A declaratory resolution or an amendment that establishes an allocation  
33 provision after June 30, 1995, must specify an expiration date for the  
34 allocation provision. For an allocation area established before July 1,  
35 2008, the expiration date may not be more than thirty (30) years after  
36 the date on which the allocation provision is established. For an  
37 allocation area established after June 30, 2008, the expiration date may  
38 not be more than twenty-five (25) years after the date on which the first  
39 obligation was incurred to pay principal and interest on bonds or lease  
40 rentals on leases payable from tax increment revenues. However, with  
41 respect to bonds or other obligations that were issued before July 1,  
42 2008, if any of the bonds or other obligations that were scheduled when



1 issued to mature before the specified expiration date and that are  
 2 payable only from allocated tax proceeds with respect to the allocation  
 3 area remain outstanding as of the expiration date, the allocation  
 4 provision does not expire until all of the bonds or other obligations are  
 5 no longer outstanding. Notwithstanding any other law, in the case of an  
 6 allocation area that is established after June 30, 2019, and that is  
 7 located in a redevelopment project area described in section  
 8 25.1(c)(3)(C) of this chapter, an economic development area described  
 9 in section 25.1(c)(3)(C) of this chapter, or an urban renewal project  
 10 area described in section 25.1(c)(3)(C) of this chapter, the expiration  
 11 date of the allocation provision may not be more than thirty-five (35)  
 12 years after the date on which the allocation provision is established.  
 13 The allocation provision may apply to all or part of the redevelopment  
 14 project area. The allocation provision must require that any property  
 15 taxes subsequently levied by or for the benefit of any public body  
 16 entitled to a distribution of property taxes on taxable property in the  
 17 allocation area be allocated and distributed as follows:

18 (1) Except as otherwise provided in this section, the proceeds of  
 19 the taxes attributable to the lesser of:

20 (A) the assessed value of the property for the assessment date  
 21 with respect to which the allocation and distribution is made;  
 22 or

23 (B) the base assessed value;

24 shall be allocated to and, when collected, paid into the funds of  
 25 the respective taxing units.

26 (2) This subdivision applies to a fire protection territory  
 27 established after December 31, 2022. If a unit becomes a  
 28 participating unit of a fire protection territory that is established  
 29 after a declaratory resolution is adopted under section 15 of this  
 30 chapter, the excess of the proceeds of the property taxes  
 31 attributable to an increase in the property tax rate for the  
 32 participating unit of a fire protection territory:

33 (A) except as otherwise provided by this subdivision, shall be  
 34 determined as follows:

35 STEP ONE: Divide the unit's tax rate for fire protection for  
 36 the year before the establishment of the fire protection  
 37 territory by the participating unit's tax rate as part of the fire  
 38 protection territory.

39 STEP TWO: Subtract the STEP ONE amount from one (1).

40 STEP THREE: Multiply the STEP TWO amount by the  
 41 allocated property tax attributable to the participating unit of  
 42 the fire protection territory; and



1 (B) to the extent not otherwise included in subdivisions (1)  
 2 and (3), the amount determined under STEP THREE of clause  
 3 (A) shall be allocated to and distributed in the form of an  
 4 allocated property tax revenue pass back to the participating  
 5 unit of the fire protection territory for the assessment date with  
 6 respect to which the allocation is made.

7 However, if the redevelopment commission determines that it is  
 8 unable to meet its debt service obligations with regards to the  
 9 allocation area without all or part of the allocated property tax  
 10 revenue pass back to the participating unit of a fire protection area  
 11 under this subdivision, then the allocated property tax revenue  
 12 pass back under this subdivision shall be reduced by the amount  
 13 necessary for the redevelopment commission to meet its debt  
 14 service obligations of the allocation area. The calculation under  
 15 this subdivision must be made by the redevelopment commission  
 16 in collaboration with the county auditor and the applicable fire  
 17 protection territory. Any calculation determined according to  
 18 clause (A) must be submitted to the department of local  
 19 government finance in the manner prescribed by the department  
 20 of local government finance. The department of local government  
 21 finance shall verify the accuracy of each calculation.

22 (3) The excess of the proceeds of the property taxes imposed for  
 23 the assessment date with respect to which the allocation and  
 24 distribution is made that are attributable to taxes imposed after  
 25 being approved by the voters in a referendum or local public  
 26 question conducted after April 30, 2010, not otherwise included  
 27 in subdivisions (1) and (2) shall be allocated to and, when  
 28 collected, paid into the funds of the taxing unit for which the  
 29 referendum or local public question was conducted.

30 (4) Except as otherwise provided in this section, property tax  
 31 proceeds in excess of those described in subdivisions (1), (2), and  
 32 (3) shall be allocated to the redevelopment district and, when  
 33 collected, paid into an allocation fund for that allocation area that  
 34 may be used by the redevelopment district only to do one (1) or  
 35 more of the following:

36 (A) Pay the principal of and interest on any obligations  
 37 payable solely from allocated tax proceeds which are incurred  
 38 by the redevelopment district for the purpose of financing or  
 39 refinancing the redevelopment of that allocation area.

40 (B) Establish, augment, or restore the debt service reserve for  
 41 bonds payable solely or in part from allocated tax proceeds in  
 42 that allocation area.



- 1 (C) Pay the principal of and interest on bonds payable from  
 2 allocated tax proceeds in that allocation area and from the  
 3 special tax levied under section 27 of this chapter.
- 4 (D) Pay the principal of and interest on bonds issued by the  
 5 unit to pay for local public improvements that are physically  
 6 located in or physically connected to that allocation area.
- 7 (E) Pay premiums on the redemption before maturity of bonds  
 8 payable solely or in part from allocated tax proceeds in that  
 9 allocation area.
- 10 (F) Make payments on leases payable from allocated tax  
 11 proceeds in that allocation area under section 25.2 of this  
 12 chapter.
- 13 (G) Reimburse the unit for expenditures made by it for local  
 14 public improvements (which include buildings, parking  
 15 facilities, and other items described in section 25.1(a) of this  
 16 chapter) that are physically located in or physically connected  
 17 to that allocation area.
- 18 (H) Reimburse the unit for rentals paid by it for a building or  
 19 parking facility that is physically located in or physically  
 20 connected to that allocation area under any lease entered into  
 21 under IC 36-1-10.
- 22 (I) For property taxes first due and payable before January 1,  
 23 2009, pay all or a part of a property tax replacement credit to  
 24 taxpayers in an allocation area as determined by the  
 25 redevelopment commission. This credit equals the amount  
 26 determined under the following STEPS for each taxpayer in a  
 27 taxing district (as defined in IC 6-1.1-1-20) that contains all or  
 28 part of the allocation area:
- 29 STEP ONE: Determine that part of the sum of the amounts  
 30 under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),  
 31 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and  
 32 IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to  
 33 the taxing district.
- 34 STEP TWO: Divide:
- 35 (i) that part of each county's eligible property tax  
 36 replacement amount (as defined in IC 6-1.1-21-2 (before its  
 37 repeal)) for that year as determined under IC 6-1.1-21-4  
 38 (before its repeal) that is attributable to the taxing district;  
 39 by
- 40 (ii) the STEP ONE sum.
- 41 STEP THREE: Multiply:
- 42 (i) the STEP TWO quotient; times



- 1 (ii) the total amount of the taxpayer's taxes (as defined in  
2 IC 6-1.1-21-2 (before its repeal)) levied in the taxing district  
3 that have been allocated during that year to an allocation  
4 fund under this section.
- 5 If not all the taxpayers in an allocation area receive the credit  
6 in full, each taxpayer in the allocation area is entitled to  
7 receive the same proportion of the credit. A taxpayer may not  
8 receive a credit under this section and a credit under section  
9 39.5 of this chapter (before its repeal) in the same year.
- 10 (J) Pay expenses incurred by the redevelopment commission  
11 for local public improvements that are in the allocation area or  
12 serving the allocation area. Public improvements include  
13 buildings, parking facilities, and other items described in  
14 section 25.1(a) of this chapter.
- 15 (K) Reimburse public and private entities for expenses  
16 incurred in training employees of industrial facilities that are  
17 located:
- 18 (i) in the allocation area; and  
19 (ii) on a parcel of real property that has been classified as  
20 industrial property under the rules of the department of local  
21 government finance.
- 22 However, the total amount of money spent for this purpose in  
23 any year may not exceed the total amount of money in the  
24 allocation fund that is attributable to property taxes paid by the  
25 industrial facilities described in this clause. The  
26 reimbursements under this clause must be made within three  
27 (3) years after the date on which the investments that are the  
28 basis for the increment financing are made.
- 29 (L) Pay the costs of carrying out an eligible efficiency project  
30 (as defined in IC 36-9-41-1.5) within the unit that established  
31 the redevelopment commission. However, property tax  
32 proceeds may be used under this clause to pay the costs of  
33 carrying out an eligible efficiency project only if those  
34 property tax proceeds exceed the amount necessary to do the  
35 following:
- 36 (i) Make, when due, any payments required under clauses  
37 (A) through (K), including any payments of principal and  
38 interest on bonds and other obligations payable under this  
39 subdivision, any payments of premiums under this  
40 subdivision on the redemption before maturity of bonds, and  
41 any payments on leases payable under this subdivision.  
42 (ii) Make any reimbursements required under this





- 1 subdivision.
- 2 (iii) Pay any expenses required under this subdivision.
- 3 (iv) Establish, augment, or restore any debt service reserve
- 4 under this subdivision.
- 5 (M) Expend money and provide financial assistance as
- 6 authorized in section 12.2(a)(27) of this chapter.
- 7 (N) Expend revenues that are allocated for police and fire
- 8 services on both capital expenditures and operating expenses
- 9 as authorized in section 12.2(a)(28) of this chapter.
- 10 The allocation fund may not be used for operating expenses of the
- 11 commission.
- 12 (5) Except as provided in subsection (g), before June 15 of each
- 13 year, the commission shall do the following:
- 14 (A) Determine the amount, if any, by which the assessed value
- 15 of the taxable property in the allocation area for the most
- 16 recent assessment date minus the base assessed value, when
- 17 multiplied by the estimated tax rate of the allocation area, will
- 18 exceed the amount of assessed value needed to produce the
- 19 property taxes necessary to make, when due, principal and
- 20 interest payments on bonds described in subdivision (4), plus
- 21 the amount necessary for other purposes described in
- 22 subdivision (4).
- 23 (B) Provide a written notice to the county auditor, the fiscal
- 24 body of the county or municipality that established the
- 25 department of redevelopment, and the officers who are
- 26 authorized to fix budgets, tax rates, and tax levies under
- 27 IC 6-1.1-17-5 for each of the other taxing units that is wholly
- 28 or partly located within the allocation area. The county auditor,
- 29 upon receiving the notice, shall forward this notice (in an
- 30 electronic format) to the department of local government
- 31 finance not later than June 15 of each year. The notice must:
- 32 (i) state the amount, if any, of excess assessed value that the
- 33 commission has determined may be allocated to the
- 34 respective taxing units in the manner prescribed in
- 35 subdivision (1); or
- 36 (ii) state that the commission has determined that there is no
- 37 excess assessed value that may be allocated to the respective
- 38 taxing units in the manner prescribed in subdivision (1).
- 39 The county auditor shall allocate to the respective taxing units
- 40 the amount, if any, of excess assessed value determined by the
- 41 commission. The commission may not authorize an allocation
- 42 of assessed value to the respective taxing units under this



1 subdivision if to do so would endanger the interests of the  
 2 holders of bonds described in subdivision (4) or lessors under  
 3 section 25.3 of this chapter.

4 (C) If:

5 (i) the amount of excess assessed value determined by the  
 6 commission is expected to generate more than two hundred  
 7 percent (200%) of the amount of allocated tax proceeds  
 8 necessary to make, when due, principal and interest  
 9 payments on bonds described in subdivision (4); plus

10 (ii) the amount necessary for other purposes described in  
 11 subdivision (4);

12 the commission shall submit to the legislative body of the unit  
 13 its determination of the excess assessed value that the  
 14 commission proposes to allocate to the respective taxing units  
 15 in the manner prescribed in subdivision (1). The legislative  
 16 body of the unit may approve the commission's determination  
 17 or modify the amount of the excess assessed value that will be  
 18 allocated to the respective taxing units in the manner  
 19 prescribed in subdivision (1).

20 (6) Notwithstanding subdivision (5), in the case of an allocation  
 21 area that is established after June 30, 2019, and that is located in  
 22 a redevelopment project area described in section 25.1(c)(3)(C)  
 23 of this chapter, an economic development area described in  
 24 section 25.1(c)(3)(C) of this chapter, or an urban renewal project  
 25 area described in section 25.1(c)(3)(C) of this chapter, for each  
 26 year the allocation provision is in effect, if the amount of excess  
 27 assessed value determined by the commission under subdivision  
 28 (5)(A) is expected to generate more than two hundred percent  
 29 (200%) of:

30 (A) the amount of allocated tax proceeds necessary to make,  
 31 when due, principal and interest payments on bonds described  
 32 in subdivision (4) for the project; plus

33 (B) the amount necessary for other purposes described in  
 34 subdivision (4) for the project;

35 the amount of the excess assessed value that generates more than  
 36 two hundred percent (200%) of the amounts described in clauses  
 37 (A) and (B) shall be allocated to the respective taxing units in the  
 38 manner prescribed by subdivision (1).

39 (c) For the purpose of allocating taxes levied by or for any taxing  
 40 unit or units, the assessed value of taxable property in a territory in the  
 41 allocation area that is annexed by any taxing unit after the effective  
 42 date of the allocation provision of the declaratory resolution is the



- 1 lesser of:
- 2 (1) the assessed value of the property for the assessment date with
- 3 respect to which the allocation and distribution is made; or
- 4 (2) the base assessed value.
- 5 (d) Property tax proceeds allocable to the redevelopment district
- 6 under subsection (b)(4) may, subject to subsection (b)(5), be
- 7 irrevocably pledged by the redevelopment district for payment as set
- 8 forth in subsection (b)(4).
- 9 (e) Notwithstanding any other law, each assessor shall, upon
- 10 petition of the redevelopment commission, reassess the taxable
- 11 property situated upon or in, or added to, the allocation area, effective
- 12 on the next assessment date after the petition.
- 13 (f) Notwithstanding any other law, the assessed value of all taxable
- 14 property in the allocation area, for purposes of tax limitation, property
- 15 tax replacement, and formulation of the budget, tax rate, and tax levy
- 16 for each political subdivision in which the property is located is the
- 17 lesser of:
- 18 (1) the assessed value of the property as valued without regard to
- 19 this section; or
- 20 (2) the base assessed value.
- 21 (g) If any part of the allocation area is located in an enterprise zone
- 22 created under IC 5-28-15, the unit that designated the allocation area
- 23 shall create funds as specified in this subsection. A unit that has
- 24 obligations, bonds, or leases payable from allocated tax proceeds under
- 25 subsection (b)(4) shall establish an allocation fund for the purposes
- 26 specified in subsection (b)(4) and a special zone fund. Such a unit
- 27 shall, until the end of the enterprise zone phase out period, deposit each
- 28 year in the special zone fund any amount in the allocation fund derived
- 29 from property tax proceeds in excess of those described in subsection
- 30 (b)(1), (b)(2), and (b)(3) from property located in the enterprise zone
- 31 that exceeds the amount sufficient for the purposes specified in
- 32 subsection (b)(4) for the year. The amount sufficient for purposes
- 33 specified in subsection (b)(4) for the year shall be determined based on
- 34 the pro rata portion of such current property tax proceeds from the part
- 35 of the enterprise zone that is within the allocation area as compared to
- 36 all such current property tax proceeds derived from the allocation area.
- 37 A unit that has no obligations, bonds, or leases payable from allocated
- 38 tax proceeds under subsection (b)(4) shall establish a special zone fund
- 39 and deposit all the property tax proceeds in excess of those described
- 40 in subsection (b)(1), (b)(2), and (b)(3) in the fund derived from
- 41 property tax proceeds in excess of those described in subsection (b)(1),
- 42 (b)(2), and (b)(3) from property located in the enterprise zone. The unit



1 that creates the special zone fund shall use the fund (based on the  
 2 recommendations of the urban enterprise association) for programs in  
 3 job training, job enrichment, and basic skill development that are  
 4 designed to benefit residents and employers in the enterprise zone or  
 5 other purposes specified in subsection (b)(4), except that where  
 6 reference is made in subsection (b)(4) to allocation area it shall refer  
 7 for purposes of payments from the special zone fund only to that part  
 8 of the allocation area that is also located in the enterprise zone. Those  
 9 programs shall reserve at least one-half (1/2) of their enrollment in any  
 10 session for residents of the enterprise zone.

11 (h) The state board of accounts and department of local government  
 12 finance shall make the rules and prescribe the forms and procedures  
 13 that they consider expedient for the implementation of this chapter.  
 14 After each reassessment in an area under a reassessment plan prepared  
 15 under IC 6-1.1-4-4.2, the department of local government finance shall  
 16 adjust the base assessed value one (1) time to neutralize any effect of  
 17 the reassessment of the real property in the area on the property tax  
 18 proceeds allocated to the redevelopment district under this section.  
 19 After each annual adjustment under IC 6-1.1-4-4.5, the department of  
 20 local government finance shall adjust the base assessed value one (1)  
 21 time to neutralize any effect of the annual adjustment on the property  
 22 tax proceeds allocated to the redevelopment district under this section.  
 23 However, the adjustments under this subsection:

24 (1) may not include the effect of phasing in assessed value due to  
 25 property tax abatements under IC 6-1.1-12.1;

26 (2) may not produce less property tax proceeds allocable to the  
 27 redevelopment district under subsection (b)(4) than would  
 28 otherwise have been received if the reassessment under the  
 29 reassessment plan or the annual adjustment had not occurred; and

30 (3) may decrease base assessed value only to the extent that  
 31 assessed values in the allocation area have been decreased due to  
 32 annual adjustments or the reassessment under the reassessment  
 33 plan.

34 Assessed value increases attributable to the application of an abatement  
 35 schedule under IC 6-1.1-12.1 may not be included in the base assessed  
 36 value of an allocation area. The department of local government  
 37 finance may prescribe procedures for county and township officials to  
 38 follow to assist the department in making the adjustments.

39 (i) The allocation deadline referred to in subsection (b) is  
 40 determined in the following manner:

41 (1) The initial allocation deadline is December 31, 2011.

42 (2) Subject to subdivision (3), the initial allocation deadline and



1 subsequent allocation deadlines are automatically extended in  
2 increments of five (5) years, so that allocation deadlines  
3 subsequent to the initial allocation deadline fall on December 31,  
4 2016, and December 31 of each fifth year thereafter.

5 (3) At least one (1) year before the date of an allocation deadline  
6 determined under subdivision (2), the general assembly may enact  
7 a law that:

8 (A) terminates the automatic extension of allocation deadlines  
9 under subdivision (2); and

10 (B) specifically designates a particular date as the final  
11 allocation deadline.

12 (j) If a redevelopment commission adopts a declaratory resolution  
13 or an amendment to a declaratory resolution that contains an allocation  
14 provision and the redevelopment commission makes either of the  
15 filings required under section 17(e) of this chapter after the first  
16 anniversary of the effective date of the allocation provision, the auditor  
17 of the county in which the unit is located shall compute the base  
18 assessed value for the allocation area using the assessment date  
19 immediately preceding the later of:

20 (1) the date on which the documents are filed with the county  
21 auditor; or

22 (2) the date on which the documents are filed with the department  
23 of local government finance.

24 (k) For an allocation area established after June 30, 2025,  
25 "residential property" refers to the assessed value of property that is  
26 allocated to the one percent (1%) homestead land and improvement  
27 categories in the county tax and billing software system, along with the  
28 residential assessed value as defined for purposes of calculating the  
29 rate for the local income tax property tax relief credit designated for  
30 residential property under IC 6-3.6-5-6(d)(3).

